

United States Government Accountability Office
Washington, DC 20548

May 31, 2012

Congressional Committees

Subject: *Force Structure: Army and Marine Corps Efforts to Review Nonstandard Equipment for Future Usefulness*

This letter formally transmits the enclosed briefing in response to the House Armed Services Committee report accompanying a bill for the Fiscal Year 2012 National Defense Authorization Act that directed us to examine the Army and Marine Corps tables of equipment and submit a report to the congressional defense committees.¹ Over the course of the conflicts in Iraq and Afghanistan, the Army and the Marine Corps have quickly acquired and fielded new equipment to meet evolving threats. Largely supported with overseas contingency operations funds rather than through the Army's and the Marine Corps' regular budgets, this "nonstandard" (rapidly fielded) equipment is not listed on units' equipment authorization documents.² However, with the withdrawal of U.S. forces from Iraq, their planned drawdown from Afghanistan, and the likely reductions in overseas contingency operations funding, the military services face decisions about which rapidly fielded equipment should be retained for future use, funded through regular budget processes, and incorporated into unit equipment authorization documents.

We assessed (1) the status of Army and Marine Corps efforts to decide whether nonstandard equipment should be kept for the future and (2) the steps these services must take before adding nonstandard equipment to unit authorization documents and possible areas for improving the efficiency of these steps. In March 2012 we briefed congressional committees on these issues. Since that time we have received additional information and have updated the March 2012 briefing slides. The updated briefing is attached in enclosure I. To address these issues, we examined relevant documentation, interviewed Army and Marine Corps officials, and reviewed available Army and Marine Corps data on the status of decisions made on nonstandard equipment and the Army data on the length of the process to review and approve plans for adding new equipment to unit authorization documents. We determined that these data were sufficiently reliable for the purposes of this report.

¹See H.R. Rep. No. 112-78 at 111 (2011). Tables of equipment—referred to as "modified tables of organization and equipment" in the Army and "tables of equipment" in the Marine Corps—list the type and amount of equipment that units are authorized to have for their assigned missions.

²The Army typically uses the term "nonstandard equipment" and the Marine Corps uses the term "interim solutions" to refer to equipment that was rapidly fielded to address wartime capability gaps. In this report, we will refer to both Army and Marine Corps rapidly fielded equipment as nonstandard equipment.

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 31 MAY 2012		2. REPORT TYPE		3. DATES COVERED 00-00-2012 to 00-00-2012	
4. TITLE AND SUBTITLE Force Structure: Army and Marine Corps Efforts to Review Nonstandard Equipment for Future Usefulness				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) U.S. Government Accountability Office, 441 G Street NW, Washington, DC, 20548				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 42	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

We conducted this performance audit from July 2011 to May 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In summary, the Army and the Marine Corps have taken steps to determine the future usefulness of nonstandard equipment but have not finalized all of the decisions on whether to add such equipment to unit authorization documents. As of November 2011, the Army had reviewed 409 equipment systems through its Capabilities Development for Rapid Transition process, determining that about 11 percent of that equipment is useful for the future and about 37 percent is not needed and should be terminated. The Army has not made a final decision on the future need for the remaining 52 percent of the equipment, which it continues to sustain for current operations primarily through the use of overseas contingency operations funds. The Army has also taken some additional actions to review nonstandard equipment through other forums and reviews which have led to recommendations for some items to be retained for the future. Since 2008, the Marine Corps has reviewed 144 different requests for capabilities to fill gaps identified by commanders.³ Of these, the Marine Corps has determined that about 63 percent will continue to be needed in the future to meet enduring requirements and should be incorporated into the Marine Corps force structure and about 17 percent will not be needed. An additional 21 percent are in initial development or are still being evaluated for future usefulness. In addition to service-provided equipment, some nonstandard equipment, such as Mine Resistant Ambush Protected vehicles (MRAP), was fielded by DOD and managed as a joint program. According to the Army and the Marine Corps, both services are now transitioning the management of MRAPs from a joint office to service offices, and are in the process of determining how many MRAPs they want to retain for the future and add to their respective authorization documents.

Once decisions are made to retain nonstandard equipment for the future, multiple steps have to be taken before equipment can become standard and authorized for all like units, and delays in the Army process for reviewing and approving plans to add equipment to unit authorization documents may have hampered the authorization of some equipment items. As part of the process for adding equipment to unit authorization documents, the services develop detailed plans that describe how equipment will be made available across the force, including how it will be sustained and which existing equipment it will replace. Delays in the completion of some of the Army's plans, known as "basis of issue plans," may affect when equipment can be authorized. While many factors can contribute to delays in the approval of these plans, such as changes to military strategy and the corresponding equipment requirements, Army documentation showed that delays in completing many of the plans were due to the originators' failure to include essential data

³ Marine Corps officials explained that some of the urgent needs requests involved the same capabilities and that they excluded these duplicates in the numbers provided to us.

elements when plans were initially submitted for consideration. Army officials noted that current guidance is not as helpful as it might be in specifying which elements should be included in the plans to facilitate approval. Without comprehensive procedural guidance on developing basis of issue plans, initial plans may continue to be incomplete and rework may contribute to delays in issuance of documentation and new capabilities. To improve the efficiency of procedures for reviewing and approving equipment to be added to Army authorization documents, we are recommending that the Secretary of the Army supplement the Army's basis of issue plan guidance with additional instructions that specify the essential data elements that are required for basis of issue plans to be approved.

In commenting on a draft of this report, DOD agreed with our recommendation, stating that the Army will review and revise its basis of issue plan guidance to ensure that it has the information necessary to efficiently complete basis of issue plans. DOD's comments are reprinted in their entirety in enclosure II. DOD also provided a technical comment, which we incorporated.

We are sending copies of this report to the appropriate congressional committees. We are also sending copies to the Secretary of Defense, the Secretary of the Army, and the Commandant of the Marine Corps. This report will also be available on our website at <http://www.gao.gov>.

Should you or your staff have any questions concerning this product, please contact me at (404) 679-1816 or pendletonj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report were Margaret G. Morgan, Assistant Director; Natalya Barden; Jerome Brown; Mae Jones; Joanne Landesman; Jean McSween; Amie Steele; K. Nicole Willems; and Matthew Young.



John H. Pendleton
Director, Defense Capabilities and Management

Enclosures-2

List of Committees

The Honorable Carl Levin
Chairman
The Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Daniel K. Inouye
Chairman
The Honorable Thad Cochran
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Howard P. "Buck" McKeon
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable C.W. "Bill" Young
Chairman
The Honorable Norman D. Dicks
Ranking Member
Subcommittee on Defense
Committee on Appropriations
House of Representative



Briefing for Congressional Committees

Army and Marine Corps Efforts to Review Nonstandard Equipment for Future Usefulness

March 2012
Updated May 2012

Page 1

Overview

- Introduction
- Objectives
- Scope and Methodology
- Summary of Observations
- Background
- Objective 1
- Objective 2
- Conclusions
- Recommendation for Executive Action
- Agency Comments
- Related GAO Products

Introduction

- Evolving threats in Iraq and Afghanistan have required the Army and the Marine Corps to quickly acquire and field new equipment.
- With the withdrawal of U.S. forces from Iraq, the continued drawdown of U.S. forces from Afghanistan, and likely reductions in funding for overseas contingency operations, the services face decisions about which equipment should be retained for the future.
 - Equipment authorization documents in the Army and the Marine Corps are developed based on the requirements for units to perform their assigned missions.
 - However, during operations in Iraq and Afghanistan, the adversaries' changing tactics and techniques presented units with new threats, necessitating different equipment to effectively respond to them.¹
 - For example, the services acquired Mine Resistant Ambush Protected vehicles (MRAP) to counter the threat of improvised explosive devices. Such equipment, often called "nonstandard equipment," is not listed on unit authorization documents and was generally acquired and maintained by the services with overseas contingency operations funds.

¹To meet units' equipment needs for specific missions, deployed Army units receive equipment based on "mission-essential equipment lists," and deployed Marine Corps units receive equipment based on "equipment density lists."

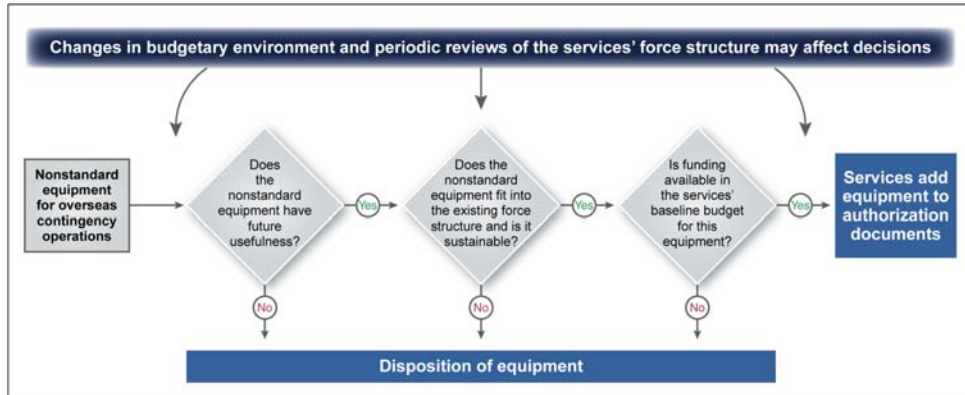
Introduction, cont.

- We reported in 2011 that the Army did not have full visibility over all of its nonstandard equipment and recommended that the Army assign responsibility for overseeing the disposition of nonstandard equipment.² We have not previously reported on the Marine Corps' nonstandard equipment.
- If the services decide that nonstandard equipment has future usefulness, they must complete other processes before adding that equipment to unit authorization documents.
- As shown in figure 1, these processes consider factors such as future missions, force structure, sustainability, and budget issues, before items are added to authorization documents for the entire force.

²GAO, *Warfighter Support: Improved Cost Analysis and Better Oversight Needed over Army Nonstandard Equipment*, GAO-11-766 (Washington, D.C.: Sept. 29, 2011).

Introduction, cont.

Figure 1: Incorporation of Nonstandard Equipment into the Services' Authorization Documents



Source: GAO analysis of Army and Marine Corps information.

Notes: According to officials, these steps do not always occur in sequential order.

The Marine Corps indicated that in certain cases, it may modify its force structure to accommodate equipment that provides a high-priority capability. The Marine Corps further indicated that as part of its decision-making process, it also determines if an already existing program can sufficiently provide the capability.

Objectives

-
- The House Armed Services Committee Report accompanying a bill for the Fiscal Year 2012 National Defense Authorization Act directed GAO to examine the Army and the Marine Corps' tables of equipment and submit a report to the congressional defense committees.
 - Accordingly, for the Army and the Marine Corps we assessed
 - the status of efforts to decide whether nonstandard equipment, including MRAPs, should be kept for the future; and
 - the steps the respective services must take before they add nonstandard equipment to unit authorization documents, and possible areas for improving the efficiency of these steps.

Scope and Methodology

To conduct our work, we

- reviewed Army and Marine Corps documentation, including guidance, regulations, and orders related to developing and updating equipment authorization documents;
- reviewed relevant policies and procedures related to nonstandard equipment, including documentation of any decisions on the future use of that equipment; and
- interviewed officials at relevant organizations:
 - Army: G-3/5/7; G-4; G-8; Office of the Assistant Secretary of the Army for Acquisition, Logistics and Technology; U.S. Army Force Management Support Agency; Army Capabilities Integration Center; Army Materiel Command; Army Sustainment Command; and
 - Marine Corps: Deputy Commandant, Combat Development and Integration; Marine Corps Systems Command; Marine Corps Logistics Command.

Scope and Methodology, cont.

-
- We assessed the reliability of Army and Marine Corps data on the status of decisions made on nonstandard equipment by interviewing Army and Marine Corps officials knowledgeable about the data. We also assessed the reliability of the Army data on the length of the process to review and approve plans for adding new equipment to unit authorization documents. We determined that the data were sufficiently reliable for the purposes of this report.
 - We conducted this performance audit from July 2011 to May 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Summary of Observations

Objective 1: Regarding the Army's and the Marine Corps' efforts to decide which equipment should be added to authorization documents:

- As of November 2011, the Army had reviewed 409 equipment systems through its Capabilities Development for Rapid Transition (CDRT) process.³ About half of these systems were neither terminated nor recommended for long-term use, and the Army has begun to review this equipment to make retention or disposition decisions. The Army has also undertaken some additional efforts to review equipment that has not been nominated.
- Since 2008, the earliest date for which data were available, the Marine Corps has reviewed 144 requests for different capabilities to fill urgent needs identified by commanders and rapidly provided equipment to address these capability gaps. Of these, the Marine Corps has determined that 90 capabilities will meet future needs and should be incorporated into its force structure and that 24 capabilities will not be needed. An additional 30 capabilities are in initial development or are still being evaluated for future usefulness. According to Marine Corps officials, consideration of capabilities for usefulness in addressing current or future capability gaps is an ongoing process that focuses on filling capability gaps rather than assessing the utility of specific pieces of equipment.

³The data provided to GAO in November 2011 reflected the results of the first 12 CDRT reviews, held between December 2004 and June 2011. Additional systems were considered in fall 2011, but officials said that the Army leadership has not yet approved the resulting recommendations.

Summary of Observations, cont.

-
- The Army and the Marine Corps are developing plans to add MRAPs to their respective authorization documents.
 - The Army is considering incorporating approximately 18,000 MRAPs into its force structure, and the Marine Corps is considering incorporating anywhere between 737 and 2,652.
 - However, the Army and the Marine Corps have not made final decisions on how many MRAPs will be incorporated into their force structures or on how they will support the program in the future out of their base budgets, pending the results of force structure reviews and budget deliberations.
 - The services are transitioning management of MRAPs from a joint office to service-managed programs.
 - Both services requested overseas contingency operations funds for fiscal year 2013 to support their MRAP programs.

Summary of Observations, cont.

Objective 2: Regarding steps that the Army and the Marine Corps take to add nonstandard equipment to unit authorization documents:

- After the Army and Marine Corps have decided which nonstandard equipment they want to retain for the future, multiple steps have to be taken before equipment can be added to unit authorization documents and become standard for all like units. These steps may include tests for equipment safety and its suitability with current systems, development of sustainment and maintenance capabilities, and identification of funding.
- As part of the process to add equipment to unit authorization documents, the services also develop plans that describe how the equipment will be made available and sustained across the force.
- For the Army, delays in the completion of these plans—known as basis of issue plans—have hampered the authorization of some items. These delays, according to Army officials, are caused at least in part by the lack of procedural guidance on the essential data elements that must be included in these plans. Until the Army issues clear guidance on what data elements should be included, the Army's process for developing and approving these plans may continue to be inefficient.
- The Marine Corps develops fielding plans that consolidate multiple functional plans, such as training and sustainment, that describe how it will incorporate equipment into its force structure, including how it will maintain and store it.

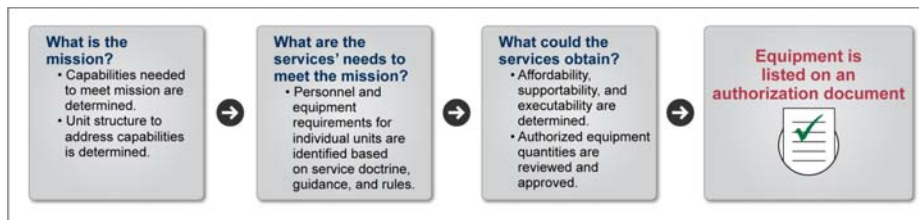
Background—Authorization Documents

- Army and Marine Corps authorization documents—modified tables of organization and equipment (MTOE) in the Army and tables of equipment (T/E) in the Marine Corps—list the type and amount of equipment that units are authorized to have for their assigned missions.
- Army and Marine Corps authorization documents are developed to equip units for full spectrum operations and are not designed to be tailored to each unique mission that a unit may be asked to perform.
- The initial steps in the development of authorization documents include the identification, validation, and approval of requirements and capability gaps. This involves various stakeholders in both services, and is led by the Army Training and Doctrine Command in the Army and the Deputy Commandant, Combat Development and Integration in the Marine Corps. The requirements drive the process of identifying specific equipping solutions that, once approved, are documented and may be authorized to the units through MTOEs that are prepared by the U.S. Army Force Management Support Agency in the Army and T/Es that are prepared by the Deputy Commandant, Combat Development and Integration in the Marine Corps. Figure 2 provides an overview of these processes in the Army and the Marine Corps.

Background—Authorization Documents

As figure 2 shows, the authorization documents are developed based on the capabilities needed to meet missions and include considerations of what is affordable within expected budgets.

Figure 2: Development of Authorization Documents in the Army and the Marine Corps



Source: GAO analysis of Army and Marine Corps information.

Service regulations require the Army and the Marine Corps to regularly review authorization documents to determine the need to add or remove equipment.⁴ Authorization documents are subject to review and update annually in the Army and once every 4 years in the Marine Corps. In addition, the services allow out-of-cycle updates, such as when a new capability need is identified or a unit size changes.

⁴Army Regulation 71-32, *Force Development and Documentation—Consolidated Policies* (Mar. 3, 1997); Marine Corps Order 5311.1D, *Total Force Structure Process (TFSP)* (Feb. 2009).

Background—Nonstandard Equipment

- Nonstandard equipment is equipment that typically has not gone through the standard acquisition process and is not listed on unit MTOEs and T/Es.⁵
- Nonstandard equipment covers a wide range of items, including warfighting (tactical) equipment such as gunshot detection and surveillance systems, and nonwarfighting (nontactical) equipment such as flat-screen televisions.
- Both the Army and the Marine Corps have established processes to field nonstandard equipment to their units to meet wartime capabilities gaps, such as the Army's Operational Needs Statements and the Marine Corps' Urgent Needs Process.
- The Department of Defense (DOD) fielded MRAPs to the Army and Marine Corps as a joint program. DOD fielded over 27,000 MRAPs between 2006 and 2011.
- Both services face decisions about whether to add MRAPs to authorization documents.

⁵The Army typically uses the term "nonstandard equipment" and the Marine Corps uses the term "interim solutions" for equipment that was rapidly fielded to address wartime capability gaps. In this report, we refer to both Army and Marine Corps rapidly fielded equipment as nonstandard equipment.

Background—Processes for Identifying Future Usefulness of Nonstandard Equipment

- We have previously reported (GAO-11-766), that the Army established the CDRT process in 2004 to identify tactical nonstandard equipment items that should be incorporated into the force structure, sustained for ongoing operations only, or terminated.
 - CDRT reviews of equipment nominated by users are held quarterly.
 - The nonstandard equipment that CDRT recommends for incorporation into the force structure must compete for funding through the Army's regular budget processes.
- The Marine Corps has generally funded nonstandard equipment provided through its Urgent Needs Process for 2 years. After the initial 2-year period, the Marine Corps makes annual determinations on whether to extend funding for another year.

Background—Adding Nonstandard Equipment to Authorization Documents

- If equipment is determined to have future usefulness, the services' regulations require that plans be developed to describe in detail how it will fit into the existing force structure, including how the equipment will be sustained, before it can be added to unit authorization documents.
 - The Army's basis of issue plan describes how new equipment will be incorporated into the force structure, including which units will receive it, how it will be sustained, what associated equipment items would be needed for its operation, and what other items the new equipment will replace.
 - The Marine Corps has a series of plans that describe how the new equipment will be incorporated into the force structure.
- These plans are used to assess the feasibility and affordability of adding new equipment to authorization documents before service headquarters approve any changes.
- Nonstandard equipment determined to be useful for the future must compete with other capabilities in the services' regular budget process.
- Equipment that successfully competes for funding can be authorized.

Background—Disposition of Equipment

-
- Nonstandard equipment that the services do not identify as having future usefulness or that is not funded is generally subject to the services' disposition procedures.
 - Disposition of nonstandard equipment is accomplished in various ways, including by transferring it to other government agencies within and outside of DOD, selling or donating it to allies or partner nations, and physically disposing of it (e.g., crushing or burning it).

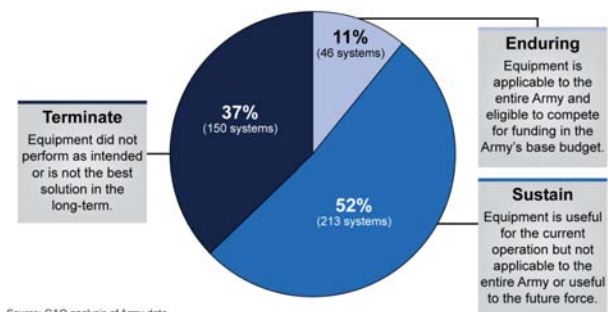
Objective 1: Status of Army Efforts

-
- The Army has ongoing efforts to review whether tactical nonstandard equipment should be incorporated into authorization documents.
 - The Army's primary process for reviewing tactical nonstandard equipment is CDRT, through which equipment is nominated for consideration and reviewed on a quarterly basis.
 - In addition, the Army has other initiatives to review selected equipment not nominated for CDRT.

Objective 1: Status of Army Efforts

- The Army holds quarterly reviews of tactical nonstandard equipment through the CDRT process.
- As of November 2011, the Army had reviewed a total of 409 equipment systems through CDRT. As figure 3 shows, about half of the systems were placed in the “sustain” category and generally continue to be supported with overseas contingency operations funds.
- In 2011, the Army conducted an internal review of some equipment in the “sustain” category, recommending that 130 capabilities (64 percent) of the 203 selected capabilities in the “sustain” category be terminated because they have no future usefulness, and that 27 capabilities (13 percent) be retained for the future.⁶

Figure 3: Army Decisions Based on Recommendations Made by CDRT Reviews 1-12 (December 2004-June 2011)



Source: GAO analysis of Army data.

Notes:

Recommendations made by CDRT reviews must be approved by the Army Requirements Oversight Council (AROC), comprised of senior Army officials.

The numbers presented only include materiel solutions reviewed by CDRT. In addition to materiel solutions, CDRT also considers nonmateriel solutions such as various training programs. Systems considered in multiple CDRT reviews were counted only once for the purposes of this analysis.

⁶The remaining 46 capabilities (23 percent) were removed from consideration because the Army already had programs to provide those capabilities.

Objective 1: Status of Army Efforts

- According to an August 2010 memo promulgating interim policy, the Secretary of the Army stated that when overseas contingency operations funds are no longer available to support its nonstandard equipment, equipment in the “sustain” category will either no longer be part of the Army force structure or it will have to be evaluated for future usefulness.
- Army officials said that they expect the Army will no longer fund the equipment in the “sustain” category once contingency operations end, and they acknowledged the need to make final decisions on such equipment.
- The Army has reviewed recommendations made by the internal review of “sustain” equipment conducted in 2011. However, these recommendations have not been officially approved yet by the Army headquarters.
- According to Army officials, the Army continues to add equipment to the “sustain” category through CDRT, and the officials said that they will continue to evaluate equipment in the “sustain” category for termination or long-term usefulness. However, Army officials said that the Army does not have a timeline for finalizing decisions on all “sustain” items. Officials also stated that decisions may need to be revisited in light of any force structure changes.

Objective 1: Status of Army Efforts

-
- The CDRT process is based on nominations by stakeholders familiar with the equipment, such as unit commanders. Army officials do not have an estimate for how much of the Army's nonstandard equipment is not reviewed by CDRT.
 - According to Army officials, the Army has undertaken several initiatives to review some equipment not nominated for CDRT. These include the following:
 - Reviews of high-cost, specialized items that were not widely available for units' use.
 - Property book reviews to determine disposition of equipment used in Iraq.
 - Capability portfolio reviews looking at specific categories of equipment fielded to units in Iraq and Afghanistan, such as intelligence, surveillance, and reconnaissance equipment.
 - Final checks of equipment prior to disposition to identify any items with potential future usefulness that may not have been previously recognized.

Objective 1: Status of Marine Corps Efforts

- Since 2001, the Marine Corps received about 700 requests through its Urgent Needs Process for capabilities to address gaps in theater.
- In accordance with a Marine Corps order,⁷ capabilities reviewed through the urgent needs processes are also considered for future usefulness by individual offices responsible for specific equipment categories.
- Marine Corps assessments of the long-term usefulness of equipment fielded through the Urgent Needs Process focus on capability needs rather than specific types of equipment, according to Marine Corps officials. Officials further noted that once a capability addressed through the Urgent Needs process is identified as needed in the future, it may replace the specific equipment item fielded to address that capability gap with more capable and/or more cost-effective item or items.
- Capabilities needed in the future may be funded as an element of an existing equipment program or through initiation of a new equipment program. Officials explained that it is difficult to track the status of items that were rapidly fielded to address an initial capability because initial solutions may be replaced by more effective items or grouped with other items to provide the needed capability for the future.

⁷Marine Corps Order 3900.17, *The Marine Corps Urgent Needs Process (UNP) and the Urgent Universal Need Statement (Urgent UNS)* (Oct. 17, 2008).

Objective 1: Status of Marine Corps Efforts

- The Marine Corps completed a review of its force structure in March 2011, which resulted in decisions about the posture and the capabilities the Marine Corps would require in the future. The force envisioned based on the review informs the Marine Corps assessment of the future usefulness of nonstandard equipment, according to Marine Corps officials.
- Since 2008,⁸ the Marine Corps has reviewed 144 unique capabilities to fill gaps identified by commanders. Of these, the Marine Corps has determined that 90 capabilities (63 percent) will continue to be needed in the future to meet enduring requirements and are expected to be transitioned into a program of record within the Marine Corps. An additional 30 capabilities (21 percent) are in initial development or are still being evaluated for future usefulness. The remaining 24 capabilities (17 percent) were not accepted as enduring requirements. (Note: percentages do not add to 100 due to rounding).
- According to Marine Corps officials, consideration of capabilities for usefulness in addressing current or future capability gaps is an ongoing process.

⁸In 2008, the Marine Corps implemented Marine Corps Order 3900.17 that clarified its urgent needs process. Marine Corps officials indicated that these changes resulted in a more consistent implementation of the process. Earlier data on urgent needs requests were not readily available for our review.

Objective 1: Status of Army and Marine Corps Plans for MRAPs

- Given the scale and cost of MRAP acquisitions, the Army and the Marine Corps are specifically focusing on how to incorporate MRAPs into their force structures.
- Both services are developing plans to transition the management of MRAPs from a joint office to each of the services, including developing cost estimates for repairing, storing, and sustaining the vehicles that each service plans to keep.
 - Army Capabilities Integration Center recommended adding 18,259 vehicles to the Army's force structure, distributed among individual units, Army prepositioned stocks, and Army War Reserve Sustainment and Contingency Replenishment Stocks, among others. According to Army officials, these numbers are preliminary and subject to change. Further, Army officials indicated that the full sustainment cost for MRAPs will not be known until the Army determines the exact number of vehicles it wants to keep.
 - The Marine Corps is considering different options for incorporating MRAPs into its force structure. It estimated that the potential costs of the options for fiscal years 2014 through 2018 range from \$124 million for 737 vehicles to about \$162 million for 2,652 vehicles. According to Marine Corps officials, the final number and the timeline for incorporating them into the force structure will depend on factors such as the status of the planned drawdown from Afghanistan. The Marine Corps has included funding of \$144.4 million for MRAPs between 2014 and 2018 in its budget plans.

Objective 1: Status of Army and Marine Corps Plans for MRAPs

- Neither service, however, has made final decisions on the number of MRAPs to add to authorization documents, pending the results of any force structure changes. On January 26, 2012, the Secretary of Defense announced reductions to the overall size of the Army and the Marine Corps, as well as other budget decisions likely to affect the services' force structure.
- DOD reprogrammed some fiscal year 2012 funds from the joint MRAP vehicle fund to the services.
- The Army and the Marine Corps requested overseas contingency operations funds to support their MRAP programs in fiscal year 2013.
 - The Army requested about \$1.3 billion for maintenance of various categories of equipment, including nonstandard equipment maintenance. However, the request did not identify the portion of this amount that is specifically intended for sustainment of MRAPs.
 - The Marine Corps requested about \$481 million to support sustainment of MRAPs.

Objective 2: Steps to Add Equipment to Authorization Documents

- The Army and the Marine Corps generally take multiple steps before nonstandard equipment can be added to the existing force structure. These include the following:
 - Assigning identification codes to manage the item as a standard item in the service.
 - Testing to ensure that the item meets safety, suitability, and supportability requirements.
 - Identifying funding in the service's base budget, including funding for the repair of items returning from Iraq and Afghanistan, facilities for their storage, and their long-term sustainment.
 - Planning for sustainment and maintenance⁹ (often for equipment that had been previously maintained by contractors) and for how new capabilities fit into the current force structure, among other issues.

⁹We have previously reported that the services experience difficulties in obtaining technical data needed to project sustainment costs. Service officials reiterated these challenges during our review.

Objective 2: Steps to Add Equipment to Authorization Documents

- The development and approval of the Army plans that specify how new equipment will fit into the force structure and be sustained, known as basis of issue plans, have not always met the Army's timeliness goals of about 9 months.¹⁰
 - These plans must be approved before equipment can be added to authorization documents.
 - Army data on the 85 basis of issue plans that were under consideration as of November 2011 showed that 55 (65 percent) of the plans had remained in that status for more than the Army's timeliness goal. Moreover, 43 (51 percent) have remained under consideration for more than a year, some for more than 5 years.
 - In a 2011 study, the Army found that the initial plan submissions were often incomplete and had to be returned to their originators for additional information. For example, the Army's review of the 220 plans submitted in fiscal years 2010 and 2011 found that 90 (41 percent) of the plans were initially rejected, with 54 (25 percent) of the plans rejected due to incomplete or invalid data, such as maintenance data.¹¹
- There are many factors that could be responsible for delays in the approval of these plans, such as changes to strategy and equipment requirements that may require substantive review and may extend timelines. However, the Army found that delays in many plans are due to the lack of essential data elements when they are submitted.

¹⁰According to Army regulation 71-32, the development and approval of these plans should take between 232 and 271 days.

¹¹We did not independently review the Army's methodology for this study.

Objective 2: Steps to Add Equipment to Authorization Documents

- The Army has recognized delays in approval and issuance of basis of issue plans and is conducting a study to determine how to reduce the rejection rate of these plans.
- An Army official responsible for the study said that the Army has made some changes in response to the study's initial findings. For example, this official explained that a representative from the office responsible for approving basis of issue plans now participates in meetings prior to the plan's submission for approval to enable the resolution of problems and to catch errors prior to the plans' submission for approval.
- One cause of delays and rework, according to Army officials, is that the Army does not have clear guidance on the required elements that the plans should include.
- Army guidance sets forth the basic requirements for the plans, but our review of the guidance found that it does not specify the essential plan elements needed for approval. For example, the guidance generally mentions that the plans should include operation and training data, but does not provide detailed information on what specific elements pertaining to operation and training are required.
- Without comprehensive procedural guidance on developing basis of issue plans, initial plans may continue to be incomplete and rework may contribute to delays in issuance of documentation and new capabilities.

Objective 2: Steps to Add Equipment to Authorization Documents

- The Marine Corps uses several plans to describe how equipment will be added to authorization documents and fielded to the units.¹²
- The fielding plan consolidates information from various other plans, such as information on facilities requirements, training, and projected costs for operation and maintenance of equipment for 5 years. Some of the plans on which the fielding plan is based include
 - the manpower and training plan that identifies personnel to operate and maintain the equipment; and
 - the maintenance plan that describes tasks required to maintain the equipment.
- The Marine Corps requires that fielding plans are in place before equipment can be added to unit authorization documents.

¹² Marine Corps officials indicated that this process does not apply to equipment rapidly fielded through the Marine Corps Urgent Needs Process that explicitly focuses on speed of delivering solutions to forces in theater to close capability gaps and accepts risk with respect to other considerations.

Conclusions

-
- The Army and the Marine Corps are taking steps to assess the future usefulness of the nonstandard equipment acquired during operations in Iraq and Afghanistan, but it is unclear when the decisions on all of the nonstandard equipment will be made and when the authorization documents will be amended to reflect these decisions.
 - According to officials, both the Army and the Marine Corps will likely need to revisit and update their plans for new equipment pending decisions on their force structures.
 - The Marine Corps continuously reviews capabilities fielded through urgent needs processes for future usefulness. Given the focus on larger capability needs rather than specific equipment items in the course of these reviews, there is no direct link between equipment fielded to meet an urgent need and equipment eventually incorporated into the force structure.
 - The Army has several separate initiatives to review and recommend the disposition of its tactical nonstandard equipment, including quarterly reviews through CDRT and occasional reviews of equipment not nominated for CDRT.
 - Various factors may contribute to delays in the approval of the Army's basis of issue plans needed for adding nonstandard equipment to MTOEs. One of them is the Army's lack of comprehensive guidance on the process for developing these plans. Without such guidance, the Army's process for these plans may continue to be inefficient.
-

Recommendation for Executive Action

To improve the efficiency of procedures for reviewing and approving equipment to be added to Army authorization documents, we recommend that the Secretary of the Army supplement the Army's basis of issue plan guidance with additional instructions that specify the essential data elements that are required for basis of issue plans to be approved.

Agency Comments

In commenting on a draft of this briefing, DOD agreed with our recommendation and stated that the Army will review its basis of issue plan guidance and revise the instructions for completing basis of issue plans. DOD's comments are reprinted in their entirety in enclosure II.

Related GAO Products

-
- *Warfighter Support: Improved Cost Analysis and Better Oversight Needed over Army Nonstandard Equipment.* GAO-11-766. Washington, D.C.: September 29, 2011.
 - *Warfighter Support: DOD's Urgent Needs Processes Need a More Comprehensive Approach and Evaluation for Potential Consolidation.* GAO-11-273. Washington, D.C.: March 1, 2011.

Enclosure II

Comments from the Department of Defense



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

MAY 18 2012

Mr. John H. Pendleton
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, N.W
Washington, DC 20548

Dear Mr. Pendleton:

This is the Department of Defense (DoD) response to the GAO draft report, GAO-12-532R, "FORCE STRUCTURE: Army and Marine Corps Efforts to Review Nonstandard Equipment for Future Usefulness," dated April 23, 2012 (GAO Code 351637). A detailed comment on the report's recommendation is enclosed.

Sincerely,

Nancy L. Spruill
Director
Acquisition Resources and Analysis

Enclosure:
As stated

**GAO DRAFT REPORT DATED APRIL 23, 2012
GAO-12-532R (GAO CODE 351637)**

**“FORCE STRUCTURE: ARMY AND MARINE CORPS EFFORTS TO REVIEW
NONSTANDARD EQUIPMENT FOR FUTURE USEFULNESS”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION**

RECOMMENDATION: The GAO recommends that the Secretary of the Army supplement the Army’s basis of issue plan guidance with additional instructions that specify the essential data elements that are required for basis of issue plans to be approved.

RESPONSE: Concur with comments.

The Army agrees that sound Basis of Issue Plans are required to properly document equipment to serve as a basis to allocate resources. The Army will review the Basis of Issue Plan Feeder Data guidance to ensure that this document includes the information necessary to efficiently produce Basis of Issue Plans and subsequently account for enduring equipment requirements and authorizations, and will revise the instructions to improve the process.

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (www.gao.gov). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to www.gao.gov and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#). Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#). Visit GAO on the web at www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548

